

Law Office of Nathan A. Schultz, P.C.

January 2, 2018

VIA OVERNIGHT MAIL

Mannon L. Walters, Inc.
Attn: Legal Department
500 N. Congress, Suite D
Evansville, IN 47715

Notice of Default: 12% Series 2007A Secured Convertible Debenture

Dear Sir or Madam:

I am writing on behalf of Stephen N. David as Trustee of the Jennifer L. David Rev Trust DTD 12/9/1999, which is the holder ("Holder") of a 12% Series 2007A Secured Convertible Debenture (the "Debenture") issued by Mannon L. Walters, Inc. ("Borrower").

Holder hereby provides written notice under section 5.1 of the Debenture that one or more Events of Default has occurred and remains uncured by virtue of, *inter alia*, Borrower's failure to pay interest installments beginning in 2014.

Holder hereby demands Borrower immediately make payment to Holder of all outstanding interest due under the Debenture.

Holder further demands that pending such payment in full, Borrower hold the Collateral and all proceeds thereof in trust for Holder, and that Borrower cease and desist from any transfer, substitution, or encumbrance of the Collateral or any part or proceeds thereof.

In the event that Borrower fails to fully cure the outstanding Event(s) of Default within 30 days of this Notice, Holder further demands that Borrower promptly forward to my attention (on a rolling basis as each of the following becomes available):

- i) Copies of all security documentation referenced in Section 4.1 of the Debenture (or written confirmation that no such documentation exists);
- ii) A complete schedule of the Collateral, including a list of any substitutions purportedly made by Borrower;
- iii) Copies of all oil and gas leases that currently comprise or previously comprised the Collateral;
- iv) Current contact information for the counter-party(ies) to all oil and gas leases that currently comprise or previously comprised the Collateral;

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- v) Copies of any correspondence between Borrower and the counter-party(ies) to all oil and gas leases that currently comprise or previously comprised the Collateral;
- vi) Copies of any correspondence or other documents referring or relating to any claims or interests in the Collateral asserted by any party other than Borrower and Holder (i.e. including, without limitation, any other holders of debentures purportedly secured by the Collateral);
- vii) An accounting of any and all proceeds derived from all oil and gas leases that currently comprise or previously comprised the Collateral;
- viii) A schedule of all oil and gas wells drilled and completed on the properties that comprise the Collateral;
- ix) An accounting of all royalties, profits, proceeds, or other sums derived from all oil and gas wells drilled and completed on the properties that comprise the Collateral;
- x) Any estimates made by Borrower in accordance with section 3.2 of the Debenture;
- xi) The Borrower's most recent financial statements; and
- xii) Contact information for Borrower's counsel or other representative who will be responsible for communications on this matter.

Please be advised that nothing herein is an admission or waiver of any kind. Holder expressly reserves each and every right and remedy under the Debenture, at law, in equity and otherwise.

Your prompt response is greatly appreciated.

Sincerely,



Nathan A. Schultz

cc: Mannon L. Walters, CEO (via email)
Will Tevault, Investor Relations (via email)
Michael Finazzo, Accounting Director (via email)